IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 767 OF 2006
connected with
COMPANY APPLICATION NO. 1020 OF 2006

Polycoat Powders Paints Limited,
Mumbai. ... Petitioner.

WITH

COMPANY PETITION NO. 803 OF 2006
connected with
COMPANY APPLICATION NO. 1021 OF 2006

Kansai Nerolac Paints Limited,
Mumbai. ... Petitioner.

In the matter of the Scheme of Amalgamation between Polycoat Powders Limited with Kansai Nerolac Paints Limited and their respective shareholders.

Virag Tulzapurkar. senior counsel i/b. Kaanga & Co. for the petitioners.

C.J.Roy with Ms.Madhuri Gaikwad i/b. G.C.Mishra for the Regional Director.

Mrs.K.V.Gautam, Dy. Official Liquidator present.

CORAM: V.C.DAGA, J.

DATED: 9th March 2007.

P.C.:

. The petitioners have filed these petitions under sections 391 to 394 of the Companies Act, 1956 to seek sanction to the proposed Scheme of Amalgamation between Polycoat Powders Limited with

Kansai Nerolac Paints Limited and their respective shareholders. In view of common business prospect the management of both companies have considered it appropriate to consolidate the business of both the companies by merging the same. In order to combine the activities and operations in a single company, the scheme of amalgamation has been prepared.

2. The Board of Directors of both the companies by their separate resolutions dated 19th April, 2006 have approved the proposed scheme of amalgamation.

3. By virtue of the order of this Court dated 6th October, 2006, necessity of convening and holding the meetings of the equity shareholders of the transferor company was dispensed with in view of the consent given by them. So far as transferee company is concerned, meeting of the equity shareholders was convened and held on 30th November, 2006; majority i.e. more than 3/4th of the equity shareholders were present and it was resolved to approve the proposed scheme of amalgamation. In view of the consent given by the secured creditors of both transferor and transferee companies, necessity of convening meetings with the sole creditors was also dispensed with. Necessity of convening meetings of the unsecured creditors of both the companies was also dispensed with, in view of the undertaking given by the

petitioners to serve individual notices on the unsecured creditors. Consents given by the shareholders and secured creditor are filed on record.

4. The petitions were advertised on 16th December, 2006 pursuant to the order of this Court dated 8th December 2006. Affidavits of service are filed on record in both petitions to establish compliance of the order dated 8th December, 2006.

5. The Regional Director, Western Region, Ministry of Company Affairs has filed affidavit giving no-objection to the proposed scheme of amalgamation contending that a report was called for from the Registrar of Companies and a perusal thereof would indicate that the scheme, if examined from the point of view of investors and shareholders, is not prejudicial in any manner. The Official Liquidator has also filed report giving no-objection to the scheme of amalgamation.

6. The affidavits have been filed by the petitioners in both petitions duly affirmed by Mr.G.T.Govindarajan, wherein the petitioners have undertaken that sales tax, service tax, excise duty

etc., charged if any, will be so collected and deposited with the Government Treasury. The statements made are accepted and taken on record.

7. Having examined the scheme of amalgamation being in conformity with the provisions of the Companies Act deserves to be accepted. In this view of the matter, Company Petition No.767/2006 is made absolute in terms of prayer clauses (a) to (e) and Company Petition No.803/2006 is made absolute in terms of prayer clauses (a) to (d) subject to the provisions of section 47 of the Maharashtra Value Added Tax Act, 2002.

8. The petitioners would pay costs of Rs.2,500/- each to the Regional Director and the Official Liquidator.

9. All the concerned including Registrar of Companies to act on the ordinary copy of this order and scheme annexed to the petition duly authenticated by the Company Registrar of this Court. Filing of drawn up order is dispensed with.

(V.C.DAGA, J.)